

SENATE FILE NO. SF0057

Motor vehicle franchises-exception.

Sponsored by: Senator(s) Case and Representative(s)
Lindholm and Pelkey

A BILL

for

1 AN ACT relating to motor vehicles; authorizing a motor
2 vehicle manufacturer without dealerships within the state
3 to sell motor vehicles directly to consumers; conforming
4 provisions; and providing for an effective date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

7

8 **Section 1.** W.S. 31-16-101(a)(xiii) and by creating a
9 new paragraph (xxxi), 31-16-102, 31-16-103(a) by creating a
10 new paragraph (viii), (b)(intro), (c)(intro) and (f),
11 31-16-104(a) by creating a new paragraph (ix),
12 31-16-108(j), 31-16-112(a), 31-16-125 by creating a new
13 subsection (k) and 31-16-126(c)(intro) are amended to read:

14

15 **31-16-101. Definitions.**

1

2 (a) As used in this act:

3

4 (xiii) "Manufacturer" means a person engaged in
5 the business of constructing or assembling vehicles which
6 are subject to registration in this state and, except where
7 otherwise provided, "manufacturer" means a distributor, a
8 factory branch, distributor branch or other representative
9 thereof, but excludes any person whose principal business
10 is wholesale and retail financing. The term includes direct
11 sale manufacturers;

12

13 (xxxi) A "direct sale manufacturer" means a
14 person licensed under W.S. 31-16-104(a)(ix) who is engaged
15 in the business of manufacturing, constructing or
16 assembling new and unused vehicles and who sells and
17 services vehicles of that manufacturer's line make to the
18 general public. A direct sale manufacturer shall not
19 include an affiliate or wholly owned subsidiary of a
20 manufacturer's line make that is presently sold or has
21 previously been sold in this state through a new vehicle
22 dealer.

23

1 **31-16-102. Unlicensed vehicle dealers and**
2 **manufacturers prohibited.**

3
4 No person shall hold himself out as being in the business
5 of a retail seller of vehicles, or act as a retail vehicle
6 dealer, direct sale manufacturer or Wyoming based
7 manufacturer without a valid license issued by the
8 department under this act. No person shall act as a
9 vehicle dealer of a new vehicle without a valid license as
10 a new vehicle dealer for new vehicles of the same line make
11 issued by the department under this act. No person other
12 than a licensed vehicle dealer shall display a vehicle for
13 sale unless the title is in the name of the displayer. No
14 person shall solicit sales of vehicles without a vehicle
15 dealer's license, unless the title is in the name of the
16 person soliciting sales.

17

18 **31-16-103. Licenses; applications; issuance,**
19 **suspension and revocation; change in ownership; rulemaking.**

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21 (a) An applicant for a license required under this
22 act shall, before commencing business and annually

1 thereafter submit an application to the department in a
2 form prescribed by the department containing the following:

3
4 (viii) For a direct sale manufacturer's license,
5 a description of the location of each established place of
6 business in this state, the number of manufacturer license
7 plates requested, a statement of the need for the plates
8 including, but not limited to, the number of employees,
9 annual sales, and such other information as required by the
10 department.

11
12 (b) Pending determination by the department that the
13 applicant has met the requirements under this act, it may
14 issue a temporary license to any applicant. A temporary
15 license shall not exceed a period of ninety (90) days while
16 the department is completing its investigation and
17 determination of all facts relative to the qualifications
18 of the applicant for the license. The temporary license
19 terminates when the applicant's license has been issued or
20 refused. When the department determines the applicant has
21 complied with all licensing requirements, the department
22 shall issue a license or renewal to an applicant upon
23 submission of a complete application to the department

1 indicating the applicant is qualified and will operate from
2 a principal place of business if a dealer or a direct sale
3 manufacturer or from an established place of business if a
4 Wyoming based manufacturer, and upon filing of a bond and
5 payment of a license fee of twenty-five dollars (\$25.00)
6 for dealers selling fewer than twelve (12) vehicles in any
7 twelve (12) consecutive month period and one hundred
8 dollars (\$100.00) for dealers selling twelve (12) or more
9 vehicles in any twelve (12) consecutive month period as
10 follows:

11

12 (c) The department may deny, suspend, revoke or
13 refuse to renew a license or temporary permit issued under
14 this act if it finds the person, applicant, vehicle dealer,
15 salesperson, agent, direct sale manufacturer or Wyoming
16 based manufacturer:

17

18 (f) Sixty (60) days after transfer of ownership of a
19 dealership or the business of a Wyoming based manufacturer
20 or direct sale manufacturer, except as a result of transfer
21 of shares of stock in a corporate dealership or Wyoming
22 based manufacturer duly incorporated in Wyoming, the dealer
23 license, Wyoming based manufacturer license, demo plates,

1 full use plates, manufacturer plates and temporary permits
2 are void and shall immediately be delivered to the
3 department. The new owner shall apply for a new dealer
4 license, demo plates, full use plates, manufacturer plates
5 and temporary permits immediately upon transfer of
6 ownership. Upon transfer of ownership or termination of
7 business the former dealer, direct sale manufacturer or
8 Wyoming based manufacturer shall notify the department and,
9 if not a transfer of ownership, immediately deliver the
10 dealer license, direct sale manufacturer license, Wyoming
11 based manufacturer license, demo plates, full use plates,
12 manufacturer plates and temporary permits to the
13 department.

14

15 **31-16-104. Classes of licenses and permits;**
16 **expiration.**

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18 (a) Licenses issued under this act shall be the
19 following classes:

20

21 (ix) Direct sale manufacturer's license which
22 permits the licensee to sell new and unused vehicles or new
23 and used vehicles of the same line make to the general

1 public. A direct sale manufacturer's license shall be
2 granted only to a person who seeks to sell or exchange
3 vehicles of that manufacturer's line make that no other new
4 vehicle dealer in the state sells or exchanges.

5
6 **31-16-108. Unlawful acts.**

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8 (j) No motor vehicle manufacturer or distributor
9 licensed under this act, directly or indirectly, shall
10 offer to sell or sell new motor vehicles to a consumer
11 except through a new vehicle dealer who holds a valid sales
12 and service agreement, franchise, or contract granted by
13 the manufacturer, distributor or wholesaler for the sale of
14 its motor vehicles. This subsection shall not apply to a
15 licensed direct sale manufacturer, sales to affiliates of
16 the manufacturer, distributor or wholesaler, sales to the
17 federal government, charitable organizations or sales to
18 employees of the manufacturer, distributor or wholesaler.

19
20 **31-16-112. Penalty.**

21
22 (a) Any person, Wyoming based manufacturer, direct
23 sale manufacturer, vehicle dealer, salesperson or agent who

1 violates this act or any rule or regulation promulgated
2 under this act is guilty of a misdemeanor punishable by a
3 fine of not more than seven hundred fifty dollars
4 (\$750.00), imprisonment for not more than six (6) months,
5 or both.

6
7 **31-16-125. Demo, full use, and manufacturer license**
8 **plates.**

9
10 (k) Licensed direct sale manufacturers may apply to
11 the department for one (1) or more manufacturer license
12 plates. After presentation of a current direct sale
13 manufacturer license and payment of fees, the department
14 shall assign to the direct sale manufacturer the number of
15 license plates approved by the department for use in the
16 usual and customary conduct of the manufacturer's business
17 including, demonstrating, testing, transporting or selling
18 a vehicle.

19
20 **31-16-126. Use of demo, full use plates; temporary**
21 **permits.**

22

1 (c) A vehicle dealer may not use a demo, full use or
2 manufacturer license plate on any vehicle type the dealer
3 is not licensed to sell, as indicated on the dealer's
4 application for a dealer license. No demo, full use,
5 direct sale manufacturer or Wyoming based manufacturer
6 license plate shall be used upon any vehicle rented, or
7 leased by a dealer, direct sale manufacturer or Wyoming
8 based manufacturer or upon a wrecker or delivery truck used
9 by a dealer, direct sale manufacturer or Wyoming based
10 manufacturer, except that a demo, full use or Wyoming based
11 manufacturer license plate may be used on a vehicle
12 lawfully being repossessed by a dealer, direct sale
13 manufacturer or Wyoming based manufacturer. A demo, full
14 use or manufacturer license plate for trailers may be used
15 on a trailer being used by a dealer or Wyoming based
16 manufacturer to transport a boat if the boat:

17

18 **Section 2.** This act is effective July 1, 2017.

19

20

(END)